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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY Ecuador

SUBJECT Significant Mining Developments

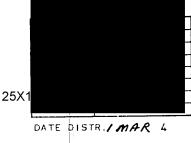
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SUPP. TO REPORT NO.

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- 1. "Petroleum statistics: In 1953 the needs of the country were barely taken care of by the Anglo-Ecuadorian Oilfields Ltd and by the Manauf Exploration Co. These companies are working on the Peninsula of Santa Elena, Ecuador. It was necessary to import some fuel oil and aviation gasoline due to lack of refining equipment. The price of gasoline(government-controlled) was upped US32¢ per gailon to US 22¢ per gallon in order to provide funus for nighway development.
- 2. "In the vein mining freed and difter more than 50 years or conclusions exprostation, the South American Development Co closed down at the end of 1951 due to lac. of production. | Production from 1934 to 1946 rat about US\$1,600,000 per year in gold, silver and lead. To solve the social problem of caring for more than two thousand wormen, the Banciopian Government appliated ... organizing a small national nompany in 1952. promoters to receive 30% of the profits, the Municipality of Zaruma 30% and the workers 30%. Due to the efficient management of Mr Geo A Davison, the company made about US\$240 thousand in 1952. During the year 1953, the company has barely covered expenses and expects to close down by July 1954.
- "In the gold placer field, a small national company, the Sociedad Aurifera Macional, is working a gold placer deposit in the Province of Cotopaxi at the foot of the Western Mountain Range of the Andes Mountains. The deposit is being worked as a drift mine. Production is at the rate of some 50 cubic yards per day, working the first five 1 at above bedrock. Tenor of the ore runs USS4 to US\$6 per cubic yard.
- 4. "The only other mining operation is that or a submur denosit of voicanic origin near Tixan on the Guayaquil and unto Railroad. Production was started in 1952 by the Ecuadorian Mining Cornoration. In april 1953, the mine was closed down for six months for reorganization purposes and due to the low price of sulphur. Operations were again started in October 1953, and the company expects to operate at least throughout 1954. The refined sulphur obtained runs more than 99% pure.

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5. "As a government monopoly, the Ecuadorian Government is operating a salt deposit on the Peninsula of Santa Elena, deriving the salt from recent argillaceous sand deposits. The crude salt obtained is sold throughout the country for US22¢ per pound and refined salt at US7¢."

-end-

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